

Message Text

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TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS PRIORITY

C O N F I D E N T I A L STATE 045320

ALL ADDEES TAKE FOR INFO

E.O. 11652: GDS

TAGS: PFOR, OCON

SUBJECT: MFM: DISCUSSION OF AGENDA ITEM 7: TRANSFER OF
TECHNOLOGY

1. THE FOLLOWING IS A SUMMARY OF THE DISCUSSION OF ITEM
7 TRANSFER OF TECHNOLOGY, AT THE MFM IN MEXICO CITY. THESE
REMARKS WERE TRANSCRIBED BY U.S. REPRESENTATIVES PRESENT
AT THE MEETING. IT IS PROVIDED FOR YOUR BACKGROUND USE.

2. FONMIN HUERTA (CHILE) SPOKE FOR LA WORKING GROUP.

A. SECTY KISSINGER'S STATEMENT THAT DEVELOPMENT
GOES BEYOND TRANSF R OF TECHNOLOGY COINCIDES WIT
LA VIEW. LA STATES CONSIDER TECHNOLOGY ESSENTIAL AS
FUNDAMENTAL TO DEVELOPMENT. JOINT ACTION NECESSARY
TO CONCLUDE APPROPRIATE COMMERCIAL TRANSACTIONS
AND ESTABLISH HEMISPHERIC MECHANISMS DESIGNED

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TO CREATE AND DEVELOP LA TECHNOLOGY. LAS NOT ONLY

MUST CREATE BUT ALSO IMPORT TECHNOLOGY DUE TO LACK OF TECHNOLOGY BASE.

B. LAS HAVE ACCEPTED TECHNOLOGY NOT ALWAYS MOST APPROPRIATE TO NEEDS AND LEVEL OF DEVELOPMENT, AT HIGH COST, AND OFTEN OBSOLETE WITH COSTS ALREADY WRITTEN OFF. RESTRICTIVE CLAUSES LIMIT USE OF

TECHNOLOGY IN CASES OF EXPORTS TO FOREIGN MARKETS OF PRODUCTS MANUFACTURED UNDER FRANCHISE.

C. WOULD BE CONVENIENT ESTABLISH CODE OF CONDUCT SO TECHNOLOGY SUPPLIERS TAKE INTO ACCOUNT OBJECTIVES AND LIMITATIONS OF RECIPIENTS. LA MUST COUNT ON US COOPERATION IN ESTABLISHING BASES FOR NEW POLICY. RELEVANT ASPECTS ARE: (1) SUPPLIERS TAKE INTO ACCOUNT LA DEVELOPMENT PROGRAMS AND CONDITIONS FOR FULL USE OF HUMAN AND MATERIAL RESOURCES; (2) ROYALTIES BE BASED ON ACTUAL USE TO ACQUIRING COMPANIES AND MEASURE TO WHICH PRODUCTS AND PROCESSES SATISFY SPECIFIC COUNTRY REQUIREMENTS; (3) MORE LIBERAL ATTITUDE ON EXPORT OF PRODUCTS MANUFACTURED UNDER LICENSE; (4) USG SUPPORT TO HAVE US COMPANIES ELIMINATE RESTRICTIVE PRACTICES IN CONTRACTS IN SPIRIT OF US ANTIMONOPOLISTIC LEGISLATION; (5) COOPERATION TO REVISE INTERNATIONAL PATENT AND BRANDS CONVENTIONS TO IMPROVE LA ACCESS TO INDUSTRIAL PROCESSES AND KNOW-HOW; (6) TECHNICAL COOPERATION TO STRENGTHEN OR CREATE NATIONAL TECHNICAL INFRASTRUCTURE.

D. LAS NEED TO REDUCE TECHNOLOGICAL GAP, CREATE LABORATORIES, DEVELOP RESEARCHERS. WE NEED TO DEVELOP HUMAN RESOURCES. CONCEPTS EMPHASIZED: (1) COOPERATION FOR EDUCATIONAL DEVELOPMENT ESPECIALLY AT HIGHER AND TECHNICAL LEVEL; (2) COOPERATION TO PROVIDE LABORATORIES AND INSTRUMENTS AND MEANS OF CARRYING OUT RESEARCH PROGRAMS; (3) INCENTIVE MEASURES TO CAUSE US COMPANIES TO
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DEVELOP TECHNOLOGY ADAPTED TO INTERESTS OF LA COMPANIES; (4) STEPS TO PROMOTE TRANSFER OF RESULTS OF US INSTITUTES AND UNIVERSITIES TO CORRESPONDING LA INSTITUTIONS. WE ARE CONFIDENT US WILL ACCEPT THESE VIEWS. TECHNOLOGY DETERMINES TO GREAT EXTENT RATE OF GROWTH OF OUR NATIONS.

E. SECTY KISSINGER'S POINT ON IA COMMISSION ON

TECHNOLOGY NEEDS CLARIFICATION. EXCELLENT SOLUTION BUT DO YOU REFER TO EXISTING OAS AGENCY OR NEW BODY? WHICHEVER, LA WISHES ACTIVITY OF THIS AGENCY BE EXPEDITED. SECONDLY, RECENT IA-ECOSOC MEETING IN SANTO DOMINGO NOT IN ACCORDANCE WITH OUR DESIRES ON DEVELOPMENT OF SCIENCE AND TECHNOLOGY.

3. SECTY KISSINGER: WE AGREE ALMOST COMPLETELY WITH COLLEAGUE FROM CHILE. PROBLEM IS DESPITE GREATER TECHNOLOGICAL BASE, WHAT IS MOST RELEVANT TO LDCS IS FOR MOST PART IN HANDS OF PRIVATE INDUSTRY. ANOTHER LARGE PART IS IN UNIVERSITIES AND BOTH ARE OUTSIDE USG CONTROL.

A. WE HAVE NO PROBLEM WITH ESTABLISHMENT OF CODE OF CONDUCT BUT WE PREFER TO DELAY UNTIL PROPOSED COMMISSION HAS MORE FACTS.

B. WE CANNOT FORCE US COMPANIES TO COMPLY WITH LAWS OF OTHER COUNTRIES. WE DO CONCUR WITH FOUR POINTS: EDUCATIONAL DEVELOPMENT, COOPERATION RE LABORATORIES, INCENTIVES TO US COMPANIES, AND TRANSFER OF RESEARCH RESULTS.

C. RE COMMISSION, WE NOT INCLINED CREATE NEW INSTITUTIONS IF NOT NECESSARY. PROBLEM WE FACE IS HOW MAKE INDUSTRY'S TECHNOLOGY AND UNIVERSITY RESEARCH AVAILABLE TO INTERNATIONAL COMMUNITY. WE CAN EITHER EXPAND CHARTER OF IA-ECOSOC OR CREATE NEW BODY. IT SHOULD ENCOMPASS PROBLEMS OF DEVELOPMENT OF HUMAN RESOURCES. QUESTIONS OF HOW AND WHAT TO TRANSFER COULD THEN BE RESOLVED.

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D. NO TOPIC DISCUSSED HERE ABOUT WHICH WE HAVE SUCH CONGRUITY. WE NOW ONLY NEED LOOK AT MEANS WHICH WE MUST EMPLOY TO MAKE IT EFFECTIVE. KISSINGER

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